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APPENDIX VI.

GROUNDS FOR THE DURBAR'S CLAIM OF EXEMPTION FROM PAYMENT OF COMMISSION ON MONEY ORDERS SENT BY THE DURBAR WITHIN THE STATE.

At the time of the amalgamation of the Mysore *Anche* (post) with the Imperial postal system in April 1889 it was arranged, as one of the terms of the agreement, that all official correspondence of the Durbar should be carried on free of charge within the State and this system is accordingly in force at present. No arrangement was made at the time as regards the money orders sent by the State, as the Mysore State treasuries and not the Mysore *Anche* were attending to the money order business and it was not one of the conditions of the amalgamation that the treasuries should cease to do money order work. The Durbar, however, voluntarily closed their treasuries to this work and referred all applicants to the post offices in July 1891. The money order business has since grown considerably. The Durbar are not in possession of the statistics relating to the business at the present time but they have been informed that during the year 1902-03, money orders to the value of 50 lakhs were issued in the State and on the basis of the development that has taken place in this business in all India since that year, there is no doubt that money orders for over a crore of rupees per annum are issued in the State, yielding an annual income in commission to the Government of India, of at least a lakh of rupees.

2. Not only has all business been voluntarily surrendered to the Government of India by the Durbar but they are also putting themselves to considerable expense in moving cash from place to place to meet the wants of the several post offices in the State. It has been calculated on the basis of the receipts and disbursements on account of post offices for the last five years, that if this assistance was not provided by the treasuries of the State, the Government of India would have had to move about 49 lakhs of rupees per annum to carry on the money order work of their post offices.

3. Apart from the fact that they undertake the moving of funds as required within the State and paying the surplus cash to the account of the Resident's Treasury at Bangalore, the Durbar help the post offices in various other ways. The stamps, post cards, etc., are kept in safe keeping in the treasuries and currency notes are cashed without any commission at the request of Postmasters although a commission is levied from the public.

4. In view of the large assistance rendered by the Durbar for the money order work of the British post offices and considering that the lucrative money order business itself was voluntarily surrendered by the Durbar without any *quid pro quo*, the Durbar's claim that all money orders issued by the Government in the State should be exempted from the payment of commission cannot be considered as unreasonable.

SIMLA,
17th September 1920.

A. R. BANERJI.